PX35

Subject: Re: important!
From: [redacted]
To: [redacted]
Date sent: Friday, November 9, 2018 12:40:51 PM GMT 08:00
Date received: Friday, November 9, 2018 12:41:04 PM GMT 08:00

Just the tokens may be transferred and we will already sell them from our own accounts. You just give us the command – we sell and record all of the revenue on the basis of 20% realization

Is it possible?

On Fri, 9 Nov 2018 at 15:51, [redacted] wrote:

> [redacted]
>
> Thanks for the question. Your idea is clear, though it will be hard to implement it, because in this case we will have to spell out in LPA distribution in cash together with distribution in kind (in form of tokens) and all of the articles and taxes corresponding to them, and [redacted] must get a permission to trading marketable securities, which fully changes the structure of the deal.
>
> For protection of investors from overvalued/undervalued exchange rate of tokens during the time frame we specifically spelled out that by the moment of final distribution and Carry calculation two major by trading volumes exchanges will be selected and a median exchange rate within the three trading days will be taken into account.
>
> [redacted]
>
> On Fri, No 9, 2018 at 11:31 am [redacted] wrote:
>
>> [redacted],
>>
>> We would like to implement the evaluation on real deals with our tokens somehow, in order to avoid a situation when due to technical reasons it is impossible to sell them but the revenue is recorded at the same time.
>>
>> Our idea is the following – you initiate the sale of 20% of [redacted] and our tokens (the fourth part of 80%) and we calculate the revenue by the results of these deals. The wallets may be our private ones, mine and [redacted], that is, the partnership does not have to be involved. Only [redacted] and me are getting the tax consequences because of this.
>>
>> Is it possible to implement the spirit of this idea into the agreement?
>>
>> [redacted]
>>
>> On Fri, Nov 9 of 2018 at 15:01, [redacted] wrote:

[redacted]

On the topic of your remarks.

60% of tokens are transferred during the first trading days to the digital wallets of investors (the wallets have to be active). We assume that the investors will be registered on Telegram platform by you (for conducting operations with tokens in future)

As it has been discussed previously, I do not see any problem in token distribution of 60-80% of tokens right after their receipt. The only moment is that one will have to get a tax and legal opinion at the moment of distribution (there is a probability that we will be able to do it in advance, when the exact date of distribution is known).

20% of tokens are transferred to the common for the two investors wallet with your access to it – for token sale during the first three days of trading – according to your wishes and the revenue will be calculated by the price of this deal. The money from token sale must return in equal parts to the investors` accounts (as a return on investment contribution)

As for the second point, honestly speaking, I do not recall that we have discussed the creation of accounts and trading on the exchange on the behalf of Partnership (creation of a separate account and trading on the behalf of [redacted] on exchanges is rather complicated from the legal and taxation point of view, and on top of it, it is not safe to trade large amounts on crypto exchanges), but I think I will be able to help with OTC. For our partnership and their partners we are working now on a contract on custody accounts with blockchain.com, which will help with storage and Over-the-counter transactions at the moment of token issue. I think that it will be the optimal way to sell Grams.

20% of tokens remain in the wallet of partnership, out of which you take your part in tokens (15% of revenue) – by the price of the deal (see clause 2), and you transfer the remainder of the tokens to digital wallets of investors in equal parts.

Calculation 15% carry will be made according to the terms spelled out in LPA. The remainder of tokens will be distributed among investors according to their stake in Partnership (in equal stakes if capital commitment is the same).

If there is now still a possibility to increase, it would be excellent. We are asking you insistently once again to discuss this possibility with Telegram.

I asked in Telegram regarding the possibility to increase the Capital Commitment but unfortunately everything is full by now there and there are several active candidates for our chunk.

Now the following steps are needed to be taken:

On the part of investors, there should be **a filled out and signed Subscription Agreement.**

After this I sign and send you the executed copy of Subscription Agreement from my end together with Wire Instructions. After the wire of funds I execute the Purchase Agreement right away and send the transaction to Telegram.

[redacted]

On Fri, Nov 9 of 2018 at 3:13 AM [redacted] wrote:

[redacted]

[redacted] and [redacted] have just had a conference call. Everyone is ready to sign the documents today and to transfer the money, but we would like to coordinate at least in the format of an electronic letter the following terms of the deal, previously discussed by them with you.

1. 60% of tokens are transferred during the first trading days to the digital wallets of investors (the wallets have to be active). We assume that the investors will be registered by you on Telegram platform (for conducting operations with tokens in future)
2. 20% of tokens are transferred to the common for the two investors wallet with your access to it – for token sale during the first three days of trading – according to your wishes and the revenue will be calculated by the price of this deal. The money from token sale must return in equal parts to the investors` accounts (as a return on investment contribution)
3. 20% of tokens remain in the wallet of partnership, out of which you take your part in tokens (15% of revenue) – by the price of the deal (see clause 2), and you transfer the remainder of the tokens to digital wallets of investors in equal parts.

With respect,
[redacted]
GM

____

From: [redacted]
Date: Friday, November 9 of 2018, 13:15
To: [redacted]>
Copy: [redacted]
Topic: important!

Hi [redacted]
Thank you for the quick reply.
I am cc`ing here [redacted], so that everyone were in the loop.
Because of the time difference, we only have 3 hours in order to make the payment.
That is why, I am asking you to sign PA and SA (with all of the bank details of [redacted] and send them to us for signing.

You have the filled out version of SA from our end.

As for the deal – there are still open questions. From our end we will send you the table with calculations – with the request to confirm, so that everyone understood the terms of the deal fully. As for the increase of Capital Commitment – well, we talked about it on numerous occasions. Including at the meeting with [redacted] at our office, when we discussed the terms of the very deal.
Then the answer was the following, that if Telegram offers only one "available lot" for 5 mln since some of potential investors who tried to enter the deal still in February, simply did not pass KYC. And we were flatly stated that it did not seem possible to increase the amount of Capital Commitment.

But if there is still a possibility now to increase, it would be excellent. We are asking you insistently once again to discuss this possibility with Telegram.

[redacted], we would like to stress once again that everything is ready from our end, despite of the fact that we are still awaiting a conclusion on the deal from our lawyer and data on bank details from you.

With respect,
[redacted]

From: [redacted]
Date: Friday, November 9 of 2018, 11:27
To: [redacted]
Copy: [redacted]
Topic: Re: documents for review and questions

[redacted]

Thanks for the questions.
I will answer them in order.

1. Signing of PA, SA (date, deadline?)

Our deadline, which we received from Telegram is November 9, that is, actually today. What is needed from you is a signed Subscription Agreement, after this I sign it from my end, I accept your transfer, sign the Purchase Agreement with Telegram and conduct the transaction.

Transfer Limited Partner to the account of the partnership. Time frame: +1 day from cl.1. Not later than 09.11.2018???
The deadline was selected to be November 9, that is why it is better not to delay, but at that the procedure should not be violated either. Telegram realizes that we have created a new company especially for this and opened a bank account in

order to conduct the transaction, however it rushes us constantly. At this moment I am expecting additionally a confirmation of KYC for the bank account, which we created in [redacted].

Signing of the Agreement between Telegram and Partnership. Time frame…
Purchase Agreement between [redacted] and Telegram Open Network will be signed right after the transaction is made. That is, in an ideal scenario, if we manage to finish everything today.

One can see below the example of a Purchase Agreement and confirmation of the previous transaction from Elysium T2:
https://docsend.com/view/pbee9qa - Purchase Agreement [redacted]
https://docsend.com/view/hmitj3k - Wire Confirmation [redacted]

1. *Article VII – p.d – On December 28, 2018, if the Partnership is unable to consummate the planned investment in the Target Company by such date the General Partner shall promptly thereafter return capital to the Limited Partners in proportion to their Capital Contributions – what is the meaning of this? Will the money, which will be contributed by investors to the partnership, not be transferred right away to Telegram? And in case, if the deal with Telegram does not take place by December 28 – all of the money will be returned to the investors? Within which time period and where is this time period spelled out in writing?*

All is correct. Right after receiving the funds from the investors, we transfer the funds to Telegram. In the agreement this insurance clause for investors is specifically spelled out, saying that if due to some inability [redacted] is not capable of executing the investment (for example, if the bank of Telegram [redacted] rejects our transaction due to failure to pass KYC or if suddenly Telegram "changes its mind" regarding accepting our investment due to multiple postponements of deadlines), then [redacted] returns capital commitments to investors.

When and where (on which platform, software etc) will the digital wallets for Partnership and for each Partner separately be created? Time frame…

TON Wallet will be created on Telegram platform. The network test will be already launched this year. TON Wallets is forecasted to come out in Q1 2019. All of the information on the product and timeline is described in TON Primer and Whitepaper.

1. *After the issue of Tokens on the market – they (Tokens) will be added to the wallet of the Partnership in the amount = 5 M USD (a conditional amount) /1.33.*

The exact price of Gram at this round is $1.33003701. This, at the total investment of $5 M we will get 3759293.88 Gram.

1. *Do we understand it correctly that Telegram takes upon itself the duty to transfer the tokens to each of the investors (in our case* [redacted] *before the beginning of the official trading?*

As far as I know, Telegram does not take upon itself such a duty. However, Telegram bans any secondary transactions and securities` trading before the network launch.

1. *The transfer of Tokens to the wallets of each of the Partners. Time frame and quantity (as a separate one out of the total amount of investment, divided by 1.33)*

Distribution of tokens to the partners will be in accordance with LPA. Without any technical and legal obstacles we will try to make the transfer within the first three days.

1. *Calculation of the revenue = a simple arithmetic median value of the price of tokens at the time of closing at two major exchanges during the first three trading days. The question: at the start of the first trading day will the tokens be distributed to the wallets of each of the Partners and in which amount?*

Upon the request of the investors, we may distribute up to 80% of tokens right after their receipt (one just has to get a tax opinion and a legal consultation by the moment of their issue).

1. *Payment of 15% of revenue by the results of calculation of revenue by cl. 8 will be performed…?*

It will be deducted from the revenue on earnings in tokens.

1. Please explain whether the return of the quantity of *tokens defined by the cl.7 means the exit of Limited Partner from Partnership?*

Clause 7 spells out the process of liquidation of the company. In the most probable scenario after the full distribution of the company`s assets (Grams) to partners, we will take care of the company`s liquidation.

1. *By the agreement on partnership – on page 3 (clause b) it is indicated that each of the partners must provide the General (Chief) partner with the power of attorney and then according to the text. Please inform us as to what kind of a document it is and whether we could take a look at it.*

This clause says that each partner grants a right to GP to sign documents on the behalf of the partnership, in our case it is Purchase Agreement with Telegram.

1. *Do we need to send the originals of signed PA and SA to you?*

We need from the investors only filled out and signed on two pages copies of Subscription Agreement. The digital version is sufficient.

1. *Where may one find the bank details of the partnership [redacted] (where are they indicated and are the accounts already open – where should the money be wired?*

I will send the bank details of the account after the receipt and review by lawyers of the signed Subscription Agreement. The bank account is going through the KYC process now with the compliance team in [redacted] (it should be ready by the morning (California time).

1. *We are ready to increase the amount of Capital Commitment/Contribution – can we do it and up to which amount?*

There is a big competition for this chunk there already. The total allocation was 10 M, out of which we take half, and we have been pushed already several times towards decreasing it. By the procedure of Telegram the application of each investor must be approved by 4 separate organizations: a legal firm Skadden, a regulatory hosting Lawson Conner, Telegram itself, and [redacted] on top of it. If you had let us known in advance, something could have been attempted, but as of now, I have doubts.

[redacted]

[Translators Note: The subsequent source pages 6-27 are repeat duplicates of source page 1-5]